

Message Text

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C O N F I D E N T I A L ROME 2586

EXDIS

E.O. 11652: GDS

TAGS: PINT, IT

SUBJECT: PARLIAMENTARY INVESTIGATION OF OIL COMPANY PAYOFFS TO
POLITICAL LEADERS

REF: ROME 2156

1. BEGIN SUMMARY: INITIAL RESULTS OF JUDICIAL INVESTIGATION OF
OIL COMPANY POLITICAL PAYOFFS HAS BEEN TRANSMITTED TO PARLIAMENT
WHICH MUST DECIDE WHETHER TO LIFT IMMUNITY FROM VARIOUS TOP
CENTER-LEFT PERSONALITIES IMPLICATED. EMBARRASSMENT OF GOVERNMENT
PARTIES IS ACUTE, AND THERE IS NOW BROAD PARLIAMENTARY SUPPORT FOR
PROPOSED PUBLIC FINANCING OF POLITICAL PARTIES AS BEST MEANS TO
PRECLUDE NEED FOR COVERT SUBSIDIES. END SUMMARY.

2. MAGISTRATES INVESTIGATING ALLEGED PAYOFFS TO POLITICAL PARTIES
AND LEADERS BY PETROLEUM COMPANIES HAVE FORWARDED TO CHAMBER OF
DEPUTIES PRESIDENT PERTINI THAT PORTION OF RESULTS OF THEIR
INVESTIGATIONS PERTAINING TO INDIVIDUALS ENJOYING PARLIAMENTARY
IMMUNITY. PERTINI IMMEDIATELY CONSIGNED REPORT TO STANDING JOINT
COMMITTEE OF BOTH CHAMBERS WHICH HAS INITIAL COMPETENCE OVER
REQUESTS TO LIFT IMMUNITY. COMMITTEE MET FEBRUARY 21 TO
RECEIVE DOCUMENTS AND INITIALLY REVIEW CHARGES, AND THEREUPON
RECESSED UNTIL MARCH 1 TO ALLOW FURTHER STUDY OF DOCUMENTS BY 3-MAN
SUB-COMMITTEE. COMMITTEE CONSISTS OF TEN DEPUTIES AND TEN SENATORS,
AND INCLUDES 9 DC, 2 PSI, 1 PSDI, 4 PCI, 2 MSI, 1 PLI, AND ONE
INDEPENDENT OF LEFT. SUB-COMMITTEE CONSISTS OF ONE DC, ONE PCI
AND ONE PSDI. COMMITTEE COULD, BY 4/5 VOTE, "CONSIGN TO ARCHIVES",
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(I.E., QUASH) ENTIRE MATTER WITHOUT REFERENCE TO PARLIAMENT AS WHOLE,
BUT TO ACHIEVE THIS RESULT MEMBERS OF MSI AND/OR PCI WOULD HAVE TO
CONCUR. WITH LESSER MAJORITIES COMMITTEE COULD DECIDE TO SUBMIT
OTHER FINDINGS TO JOINT SESSION OF BOTH CHAMBERS, INCLUDING

RECOMMENDATION THAT IT NOT PROCEED FURTHER IN MATTER. IN LATTER CASE, STRAIGHT MAJORITY OF PARLIAMENT AS WHOLE WOULD BE NEEDED TO EITHER LIFT IMMUNITY OR QUASH CHARGES.

3. WELL-PLACED DC SOURCE HAS TOLD EMBASSY THAT DOCUMENTS TRANSMITTED BY INVESTIGATING MAGISTRATES IMPLICATE PRESENT DC MINISTERS TAVIANI (INTERIOR), DE MITA (INDUSTRY), COLOMBO (TREASURY) AND GAVA (PUBLIC ADMINISTRATION) AS WELL AS SOCIAL DEMOCRAT FOREIGN TRADE MINISTER MATTEOTTI. PAST MINISTERS INVOLVED INCLUDE ANDREOTTI (DC), FERRI (PSDI), AND REALE (PRI), AMONG OTHERS. SOURCE SAID THIS INFORMATION IS SPREADING BUT SO FAR PRESS IS AFRAID TO REVEAL NAMES. HE FOUND ABSENCE OF PSI LEADERS FROM LIST "SUSPICIOUS" IN VIEW OF FACT THAT SOCIALISTS ALSO RECEIVED MONEY FROM OIL COMPANIES. HOWEVER, PSI SOURCE HAS OBSERVED THAT FORTUITOUSLY PSI'S SHARE OF RAKE-OFF HAD ON OCCASIONS IN QUESTION BEEN CHanneled THROUGH DC MIDDLEMEN.

4. SINCE SCANDAL BROKE, VARIOUS LEADERS OF GOVERNMENT PARTIES HAVE PUBLICLY CONCEDED THAT IN FACT PARTIES HAVE RECEIVED SUBSTANTIAL CORPORATE CONTRIBUTIONS CHanneled THROUGH INDIVIDUAL MINISTERS AND PARTY OFFICIALS, BUT HAVE UNIVERSALLY DENIED THAT STRINGS WERE ATTACHED OR FAVORS GRANTED. REPUBLICAN LEADER LA MALFA PROCLAIMED FEBRUARY 21 THAT HE WOULD PERSONALLY ASSUME FULL RESPONSIBILITY FOR PRI'S PAST ACCEPTANCE OF CONTRIBUTIONS. REPORTEDLY, LEADERS OF ALL PARTY CHAMBER GROUPS ARE AGREED IN PRINCIPLE TO BACK LEGISLATION PROPOSED BY DC GROUP LEADER PICCOLI TO PROVIDE PUBLIC FINANCING OF PARTIES THROUGH THEIR RESPECTIVE PARLIAMENTARY GROUPS. AS PART OF DEAL, ALL PARTIES WOULD HENCEFORTH PUBLISH FULL BUDGET AND NAMES OF ALL OTHER CONTRIBUTORS. HOWEVER, LATTER REQUIREMENT WOULD NOT AFFECT COLLATERAL OR ALLIED ORGANIZATIONS OF PARTIES, A LOOPHOLE APPARENTLY LEFT OPEN TO ASSURE COMMUNIST SUPPORT. LIBERALS HAVE CONDITIONED THEIR ENDORSEMENT OF PUBLIC FINANCING PROPOSAL UPON ABOLITION OR RADICAL REVISION OF PARLIAMENTARY IMMUNITY AND MEASURES TO PRECLUDE SECRET FUNDING BY PRIVATE AND GOVERNMENT ENTERPRISES. OTHER POLITICAL LEADERS HAVE STRESSED NEED FOR CONCURRENT REFORM OF POLITICAL STRUCTURE IN GENERAL AND SHORTENING CONFIDENTIAL

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OF ELECTION CAMPAIGN PERIODS. CAPITALIZING UPON FACT THAT PSI HAS THUS FAR BEEN ONLY MARGINALLY IMPLICATED, PSI SECRETARY DE MARTINO HAS DECLARED HIS PARTY MUST TAKE LEAD IN RESTORING POLITICAL MORALITY.

5. COMMENT: IT HAS LONG BEEN OPEN SECRET THAT GOVERNMENT POLITICAL PARTIES HAVE RECEIVED SIGNIFICANT FINANCIAL SUPPORT THROUGH ACCEPTANCE OF FUNDS FROM PUBLIC INSTITUTIONS AND AGENCIES AND BY PARALLEL SHAKEDOWN OF PRIVATE FIRMS. HOWEVER, POLITICAL CLASS HAS RECEIVED RUDE SHOCK FROM PUBLIC EXPOSURE OF THIS DIRTY LINEN AT PRECISE MOMENT THAT IT IS DEMANDING AUSTERITY FROM PEOPLE. FACT THAT PETROLEUM INTERESTS AND STATE ELECTRICITY MONOPOLY ARE PRIMARILY INVOLVED IN CURRENT REVELATIONS COINCIDES

MOST UNFORTUNATELY WITH STEEP INCREASES IN PETROLEUM PRODUCT PRICES
JUST APPROVED (ROME 2512) AND WITH RUMORED UPCOMING INCREASE
IN ELECTRICITY COSTS. IN CIRCUMSTANCES, GOVERNMENT PARTY LEADER-
SHIP HAS OBVIOUSLY CONCLUDED THAT THIS SCANDAL CANNOT BE IGNORED
LIKE OTHERS OF PAST YEARS. THEIR ACTIONS AT THIS TILL EARLY
STAGE SUGGEST THAT PARTIES WILL PROTECT THEIR OWN LEADERS AND
HENCHMEN INVOLVED, BUT AT SAME TIME VEHEMENTLY DENOUNCE
INADEQUACIES OF SYSTEM WHICH HAS COMPELLED PARTIES TO ACCEPT
HELP FROM QUESTIONABLE SOURCES. THE REMEDY THEY PROPOSE IS OPEN
AND DIRECT GOVERNMENT SUBSIDY. VOLPE

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